

BellSouth Telecommunications, Inc.
601 W. Chestnut Street
Room 407
Louisville, KY 40203

Dorothy.Chambers@BellSouth.com

Dorothy J. Chambers
General Counsel/Kentucky

502 582 8219
Fax 502 582 1573

July 27, 2004

RECEIVED

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**PUBLIC SERVICE
COMMISSION**

Ms. Beth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602

RE: Adoption by Southern Digital Network, Inc. d/b/a FDN Communications of the Interconnection Agreement between BellSouth Telecommunications, Inc. and MCI WorldCom Communications, Inc.
PSC Case No. 2004-00244

Dear Ms. O'Donnell:

Southern Digital Network, Inc., d/b/a FDN Communications ("FDN"), and BellSouth Telecommunications, Inc., ("BellSouth"), advise the Kentucky Public Service Commission that the issues addressed in the above-referenced docket have been resolved. The parties have entered into a settlement agreement such that FDN and BellSouth have entered into an interconnection agreement that incorporates language that is compliant with the Triennial Review Order (TRO), and the parties are currently negotiating language to comply with the post- DC Circuit Order's vacatur of certain portions of the TRO¹. These negotiations began as of July 15, 2004, and shall last no longer than a period of forty-five (45) calendar days. After that time period, should there be any outstanding issues remaining between the parties as to the interpretation of the DC Order² or the TRO, the parties do not waive any rights available to petition the Commission for resolution of such issues. By entering into this settlement agreement, the parties are agreeing to shorten the change of law period to forty-five (45) calendar

¹ *In the Matter of Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers, et al.*, CC Docket No. 01-338, et al., FCC 03-36 (rel. August. 21, 2003) ("Triennial Review Order")

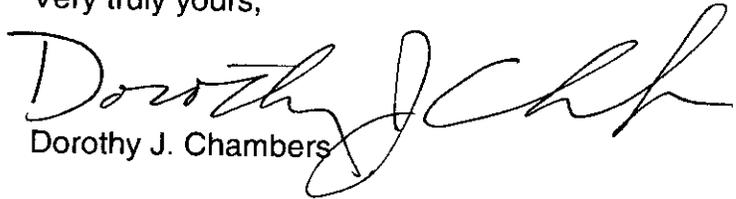
² *United States Telecom Ass'n v. FCC*, 359 F.3d 554 (D.C. Cir. 2004)

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days, and the parties agree that the change of law negotiations will be specifically related to incorporating the D.C. Order for FDN Agreements in all nine BellSouth states.

The Amendment to the Agreement is filed on a CD. Eleven CDs are provided to the Commission. The filing is served on the individuals listed on the Certificate of Service.

Very truly yours,


Dorothy J. Chambers

Enclosures

cc: Parties of Record

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CERTIFICATE OF SERVICE

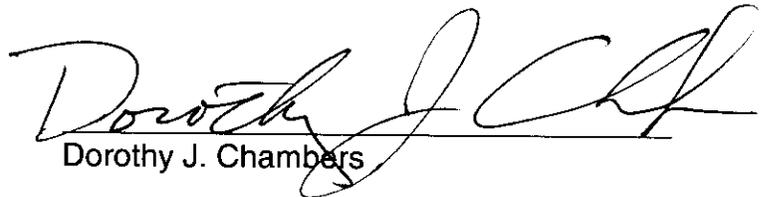
It is hereby certified that a true and correct copy of the foregoing was served on the following individuals by mailing a copy thereof, this 27th day of July, 2004.

Hon. Allyson K. Sturgeon
Attorney at Law
Ogden, Newell & Welch, PLLC
1700 Citizens Plaza
500 West Jefferson Street
Louisville, KY 40202

Hon. Matthew J. Feil
General Counsel
Southern Digital Network, Inc.
d/b/a FDN Communications
2301 Lucien Way, Suite 200
Maitland, FL 32751

Scott A. Kassman
Southern Digital Network, Inc.
d/b/a FDN Communications
2301 Lucien Way, Suite 200
Maitland, FL 32751

Timothy T. Devine
Senior Director, External &
Reg. Affairs, Southern Reg.
MCI WorldCom Communications, Inc.
6 Concourse Parkway, Suite 3200
Atlanta, GA 30328


Dorothy J. Chambers